

**USDA
Rural
Development
Programs**

**for
Community
and
Economic Development**

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Available in Pennsylvania

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Committed to the future of rural communities.

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Rural Development — Housing and Community Facilities Programs

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Single Family Home Ownership Direct Loans (Section 502)	Safe, well-built, affordable homes for rural Americans.	Families and individuals. Apply to Rural Development.	Buy, build, improve, repair or rehabilitate rural home as the applicant's permanent residence.	Rural areas with populations of 20,000 or less.	Direct loan.	Up to 100 percent of market value or cost, whichever is less. Loan amortized for 33/38 years. Applicant may be eligible for payment assistance (subsidy) on the loan.
Single Family Home Ownership Direct Repair Loans and Grants (Section 504)	To help very-low-income applicants remove health and safety hazards or to repair their homes.	Families and individuals who currently own their home. Apply to Rural Development.	Repair or replace roof, winterizing, purchase or repair of heating system, structural repair, and water and sewage connect fees, and similar uses.	Rural areas with populations of 20,000 or less.	Direct loan and grant.	Loan terms to 20 years at 1 percent. Assistance to individual may not exceed \$20,000. Grants only available to very-low-income applicants 62 years or older who cannot afford to pay 1 percent loan.
Single Family Home Ownership Guaranteed Loans (Section 502)	Assist eligible applicants in buying their homes by guaranteeing loans made by private lenders.	Families and individuals. Apply to lender.	Purchase new or existing home.	Rural areas with populations of 20,000 or less.	Loan guarantee.	30 year, fixed rate. Interest rate negotiated between lender and borrower. Loans to 100 percent of market value.
Mutual Self-Help Home Ownership Loans (Section 523)	Individual homes built by a group of applicants, with construction guidance from a non-profit organization.	Families and individuals. Apply to Rural Development. Loan applications are processed on an individual basis for each participating family.	Construction of a new home, in part by the applicant under supervision.	Rural areas with populations of 20,000 or less.	Direct loan.	Individual families receive a direct loan from Rural Development. Participating non-profit housing organization gets a grant to hire a supervisor and pay other administrative expenses.
Mutual Self-Help Housing Grants (Section 523)	Assist lower income families in building their own homes.	Non-profits and public bodies.	Technical assistance to qualify and supervise small groups of families to build each other's homes.	Rural areas with populations of 20,000 or less.	Grant.	Grant agreement.
Rental Housing for Families and Elderly Direct Loans and Loan Guarantees (Sections 515 & 538)	Safe, well-built, affordable rental housing for very-low-income individuals and families.	Individuals, limited profit and non-profit organizations. For guarantees, apply to intermediary lender; for direct loans, apply to Rural Development.	New construction or substantial rehabilitation of rental housing.	Rural areas with populations of 20,000 or less.	Direct loan or loan guarantee.	Up to 100 percent of total development cost (non-profits); 97 percent (for-profits). 30-year term with up to 50 year amortization. For for-profit organizations with Low-Income Housing Tax Credits, 95 percent of total development costs.
Housing Preservation Grants (Section 533)	Repair and rehabilitate housing owned or occupied by very-low- and low-income rural families.	Public bodies and non-profit organizations. Apply to Rural Development.	Operation of a program which finances repair and rehabilitation activities for single family and small rental properties.	Rural areas with populations of 20,000 or less.	Grant.	Grant agreement.
Community Facilities (Faith-Based and First Responder)	Provide essential community facilities for rural communities.	Public bodies, non-profit organizations, and Indian tribes. Apply to Rural Development.	Build facilities and purchase equipment for fire and rescue, telecommunications, schools, libraries, hospitals, etc.	Rural areas with populations of 20,000 or less.	Direct loan or loan guarantee, grant.	Up to 100 percent of market value. Up to 40 years or life of security. Maximum grant 75 percent of project cost.
Farm Labor Housing (Sections 514 & 516)	Safe, well-built affordable rental housing for farm workers.	Individuals, public and private non-profit organizations. Apply to Rural Development.	New construction or substantial rehabilitation of rental housing.	No population restriction.	Direct loan and grant.	Up to 102 percent of total development cost. Up to 33 years to repay at 1 percent interest.

Direct Loans and Grants - Apply to Rural Development. Loan Guarantees - Apply to intermediary (approved banks, mortgage companies)

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Rural Development — Business and Cooperative Programs

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Business and Industry Guarantee Loans	Create jobs and stimulate rural economies by providing financial backing for rural businesses.	Businesses. Apply through Federal or State chartered banks, credit unions, or savings & loan associations.	Most legal business purposes except production agriculture. Include acquisition, start-up and expansion of businesses that create rural employment.	All areas except cities of more than 50,000 and their contiguous and adjacent urbanized areas.	Loan guarantee.	Lender and borrower negotiate terms. Interest rate tied to published rate that may change no more often than quarterly.
Rural Business Enterprise Grants	Finance and facilitate the development of small and emerging private business enterprises.	Public bodies, private non-profit corporations, and federally recognized Native American tribal groups. Apply to Rural Development.	Buy and develop land, establish a revolving loan fund, construct buildings, plants, equipment, access streets and roads, parking areas, utility and service extensions, and rural distance learning networks.	All areas except cities of more than 50,000 and their contiguous and adjacent urbanized areas.	Grant.	When grant funds are used for revolving loan fund (RLF), the intermediary makes loans to businesses from its RLF on terms consistent with security offered.
Intermediary Relending Program Loans	Finance business facilities and community development projects in rural areas.	Public bodies, non-profit corporations, Native American tribes, and cooperatives. Apply to Rural Development.	Community development projects, establishment or expansion of businesses, creation or saving of rural jobs.	Rural areas and incorporated places with populations of less than 25,000.	Direct loan.	The intermediary makes loans to businesses from its revolving loan fund on terms consistent with security offered. Intermediary pays 1 percent for 30 years.
Rural Economic Development Loans and Grants	Finance economic development and job creation in rural areas.	Rural Utilities Service-financed electric and telephone utilities. Apply to Rural Development.	Business startups or expansion projects that create rural jobs.	Rural areas and places with populations of 2,500 or less.	Direct loan and revolving loan fund grant.	The intermediary (electric or telephone utility) makes loans to profit or non-profit business and public bodies for rural economic development and/or job creation projects. Loans are 0 percent for 10 years.
Rural Cooperative Development Grants	Establish and operate centers for cooperative development to improve the economic condition of rural areas through the development of new cooperatives and improving operations of existing cooperatives.	Non-profit corporations and institutions of higher education. Apply directly to Rural Development National Office.	Establish operating centers for development of rural cooperatives.	No population restriction.	Grant.	Applicants must meet specific selection criteria including a minimum 25 percent fund match. Grants are awarded on a competitive basis. Some funds are reserved for applicants that focus on assistance to small, minority producers through their cooperative businesses (governing board or membership at least 75 percent minority).
Value-Added Agricultural Product Market Development Grants	Assist independent agricultural producers to enter into activities that add value to their crops.	Independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures. Apply to Rural Development State Office.	Planning purposes such as conducting feasibility studies or business plans; or as working capital to help start the operations of a venture.	No population restriction.	Grant.	Applicants must meet specific selection criteria. Grants are awarded on a competitive basis. Funds cannot be used to build facilities or purchase equipment. Funds must be matched on a dollar-for-dollar basis.
Rural Business Opportunity Grants	Finance technical assistance for business development planning in rural areas.	Public bodies, non-profit corporations, Indian tribes on Federal or State reservations, and cooperatives with members that are primarily rural residents.	Technical assistance, leadership training, establishment of business support centers, economic development plans.	All areas except cities of more than 50,000 and their contiguous and adjacent urbanized areas.	Grant.	Must be completed within 2 years after project has begun.
Renewable Energy Systems and Energy Efficiency Improvements Grants	Finance the purchase of renewable energy systems, and make energy improvements.	Agricultural producers and rural small businesses.	Construction or improvements, purchase and installation of equipment, energy audits, permit fees, professional service fees, business plans, feasibility studies.	All areas except cities of more than 50,000 and their contiguous and adjacent urbanized areas.	Grant.	Applicants must meet specific selection criteria. Grants are awarded on a competitive basis. Grant cannot exceed 25 percent of eligible project costs.
Biomass Research and Development Initiative	Finance the research and development of biomass based products, bioenergy, biofuels, and related processes.	Institutions of higher education, National laboratories, Federal or State research agencies, private sector entities, and non-profit organizations.	Research and development of biomass based products, bioenergy, biofuels, and related processes.	No population restriction.	Grant.	Applicants must meet specific selection criteria. Grants are awarded on a competitive basis. A minimum of 20 percent cost sharing requirements apply, and may be up to 50 percent depending on nature of project. Cost share must come from non-Federal sources.

Direct Loans and Grants - Apply to Rural Development. Loan Guarantees - Apply to intermediary (eligible banks, etc).

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Rural Development — Utilities Programs

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Water and Waste Disposal Loans and Grants	Provide infrastructure for rural areas.	Public entities, Indian tribes, and non-profit corporations. Apply to Rural Development.	Build, repair, and improve public water systems, and waste collection and treatment systems. Also other related costs.	Rural areas, cities, and towns with up to 10,000 population.	Direct loan and grant.	Interest rates are set quarterly based on an index of current market yields for municipal obligations. Repayment period is a maximum of 40 years. Grant funds may be available.
Water and Waste Disposal Loan Guarantees	Provide infrastructure for rural areas.	Public entities, Indian tribes, and non-profit corporations. Apply to Rural Development.	Construct, repair, modify, expand, improve water supply and distribution systems, and waste collection and treatment systems. Also other related costs.	Rural areas, cities, and towns with up to 10,000 population.	Loan guarantee.	Eligible lenders obtain up to a 90 percent guarantee on loans they make and service. Lenders should contact Rural Development Area or State Office.
Solid Waste Management Grants	Provide technical assistance and/or training to help communities reduce the solid waste stream.	Non-profit organizations and public bodies. Apply to Rural Development.	Provide technical assistance and training to reduce pollution of water resources and improve management of solid waste facilities; reduce solid waste in streams.	Rural areas, cities and towns with up to 10,000 population.	Grant.	Projects are funded based on selection at the National level. Applications are accepted from October 1 to December 31 of each year.
Rural Broadband Loans and Loan Guarantees	The deployment of broadband service to eligible rural communities.	Legally organized entities providing or proposing to provide broadband service in eligible rural communities. Cannot serve more than 2 percent of the telephone subscriber lines installed in the U.S.	The construction, acquisition, and improvement of broadband transmission facilities and equipment; land and buildings used in providing broadband service; and the refinancing of Telecommunications Program debt.	Eligible rural communities with a population of 20,000 inhabitants or less. The community cannot be located in a standard metropolitan statistical area.	Direct loans and loan guarantees.	Loans are made at the Treasury rate of interest at the time of the advance for a period equal to expected composite economic life of the assets financed. Loans are guaranteed at the interest rate set by the private lender for no more than 80 percent of the principal amount.
Electric and Telecommunications Loans and Guarantees	Provide financial aid through direct and guaranteed loans for electric and telecommunications services.	Non-profit and cooperative associations, public bodies, and other utilities. Apply directly to Rural Development National Office.	Generation, bulk transmission facilities, and distribution of electric power. Enhance 911 emergency service, digital switching equipment, fiber optic cable, along with traditional main system telecommunications service.	Electric: Rural areas as defined by the U.S. Census. Telecommunication: Rural areas with populations of 5,000 or less.	Direct loan or loan guarantee.	Interest rates are established in accordance with 7 CFR 1745.
Distance Learning and Telemedicine Loans and Grants	Development and deployment of advanced telecommunication services throughout rural America to improve education and health care.	Incorporated entities, including municipal corporations, on a for profit or not-for-profit basis, that operate rural schools, libraries, health care clinics and other organizations that operate educational or health care facilities.	Equipment for classrooms: cameras, video monitors, computers, and LAN. Also for physician consultation, radiology, ex-ray scanners, and digital microscopes.	Rural areas with populations of 20,000 or less.	Direct loan and/or grant.	Matching funds are required.

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SUMMARY OF PROGRAM PURPOSES

	LAND & BUILDING	MACH. & EQUIP.	WORKING CAPITAL	INFRA STRUCT.	TRAIN/ TECH.
RURAL HOUSING - SINGLE FAMILY					
Section 502 - Direct loan	◆				
Section 502 - Guaranteed loan	◆				
Section 504 - Loan/grant	◆				
- MULTI- FAMILY					
Rural rental housing - Guaranteed loan	◆			◆	
Rural rental housing - Direct loan	◆			◆	
Farm labor housing - Loan/grant	◆			◆	
Housing preservation -Grant	◆	◆	◆	◆	◆
RURAL BUSINESS & ECONOMIC DEV.					
Business & Industry - Guaranteed loan	◆	◆	◆	◆	
Business & Industry - Direct loan	◆	◆	◆	◆	
Rural Business Enterprise Grant	◆	◆	◆	◆	◆
Intermediary Relending - Loan	◆	◆	◆	◆	
Rural Cooperative Development Grant					◆
Rural Economic Development Loan and Grant	◆	◆	◆	◆	◆
Rural Business Opportunity Grant					◆
Value Added Market Development Grant			◆		◆
COMMUNITY PROGRAMS					
Water and sewer - loan/grant	◆	◆	◆	◆	
Water and sewer - Guaranteed loan	◆	◆	◆	◆	
Solid waste management grant					◆
Distance learning & telecomm. loan/grant		◆		◆	
Community facilities - Direct loan/grant	◆	◆	◆	◆	
Community facilities - Guaranteed loan	◆	◆	◆	◆	

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